

DEFENSE: DISPOSITION OF FACILITIES

Exchange of notes at Reykjavik April 5, 1947, supplementing agreement of October 7, 1946

Entered into force April 5, 1947

Terminated by agreement of May 5, 1951¹

Department of State files

*The American Chargé d'Affaires ad interim to the Minister
of Foreign Affairs*

AMERICAN LEGATION
REYKJAVIK, April 5, 1947

No. 726

EXCELLENCY:

I have the honor to refer to the exchange of notes nos. 283 and 628 dated October 7, 1946,² between Your Excellency's predecessor, the Honorable Olafur Thors and the former Minister of the United States of America to Iceland, the Honorable Louis G. Dreyfus, Jr., with regard to the termination of the Defense Agreement of July 1, 1941,³ the withdrawal of the United States Armed Forces from Iceland and the future use of the Keflavik Airport.

In accordance with the provisions of Article 2 of the Agreement, contained in this exchange of notes, an inventory of the immovable installations constructed at the airport by the United States was prepared jointly by representatives of Iceland and the United States. A copy of this document is attached. Agreement was reached with respect to all installations falling within the classification of immovable with the exception of the following:

- A. The hut installations transferred to the Icelandic Government.
- B. The laundry and dry cleaning plant.
- C. The kitchens.
- D. The telephone system.
- E. The power system, including the power transformers and cables.
- F. The water and drainage systems.
- G. The fifty generators.
- H. The radio equipment.
- I. The workshops.

¹ 2 UST 1195; TIAS 2266.

² TIAS 1566, *ante*, p. 1185.

³ EAS 232, *ante*, p. 1160.

The joint Icelandic–United States Airport Committee was, therefore, requested to decide the nature of these installations. This was done at several meetings of the Airport Committee which came to the following decisions:

A. All accessories of the huts, as well as the huts themselves, shall become the property of the Icelandic Government upon the departure of the United States Armed Forces.

B. The laundry and dry cleaning plant shall be considered as immovable.

C. The kitchens shall be considered as immovable, with the exception of the cooking utensils.

D. All equipment pertaining to the telephone system shall be considered as immovable, with the exception of the switchboards and instruments.

E. The power system, including the power transformers and cables, shall be considered as immovable.

F. The water and drainage systems shall be considered as immovable.

G. 47 of the 50 generators at the Airport shall be considered as immovable. Two of those considered as movable were shipped to Keflavik after the signing of the Agreement of October 7, 1946, while the third was still crated and stored at the Airport on that date.

H. The radio equipment shall be considered as movable.

I. All items in the workshops not clearly and indisputably a part of the buildings shall be considered as movable.

In view of the foregoing, it is proposed: (1) in accordance with Article 2 of the Airport Agreement and in fulfillment of its undertakings, the Government of the United States transfers, assigns and delivers free of charge to the Government of Iceland all the installations determined by the joint inventory group and the Joint Airport Committee to be immovable.

(2) The Government of the United States agrees that all installations classified as movable shall not be removed from the Airport during the period of validity of the Airport Agreement.

(3) Upon the termination of the present Agreement, the Government of the United States agrees to sell to the Government of Iceland any or all of the radio equipment at the Keflavik Airport which the Icelandic authorities may decide to purchase at a fair price which, however, on average shall not exceed 25% of the initial costs delivered in Iceland.

(4) The Government of Iceland agrees that if necessary for use by the agent of the United States, in fulfillment of the provisions of Article 4 of the Airport Agreement, property determined to be immovable shall not be removed from the Keflavik Airport.

(5) During the term of use mentioned in the foregoing paragraph, the United States or its agent shall be responsible for the maintenance of the Airport including the immovable installations situated there but shall not be responsible to the Government of Iceland for fair wear and tear, destruction by fire or Act of God of any such installations.

Should the Government of Iceland concur in the proposals set forth above, the affirmative reply of Your Excellency shall constitute, together with this note, an appendix to the Airport Agreement of October 7, 1946.

Accept, Excellency, the renewed assurances of my highest consideration.

WILLIAM C. TRIMBLE
Chargé d'Affaires ad interim

His Excellency,
BJARNI BENEDIKTSSON,
*Minister for Foreign Affairs,
Reykjavik, Iceland.*

*The Minister of Foreign Affairs to the American Chargé d'Affaires
ad interim*

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REYKJAVÍK
5th April, 1947

Db. 65K.8.
No. 63

MONSIEUR LE CHARGÉ D'AFFAIRES,

I have the honour to acknowledge the receipt of your note of today's date in the following terms:

[For text of U.S. note, see above.]

I have the honour to inform you, that the Government of Iceland accepts the proposals set forth above and that this exchange of notes shall constitute an appendix to the Airport Agreement of October 7, 1946.

I have the honour to renew to you, Monsieur le Chargé d'Affaires, the assurances of my high consideration.

BJARNI BENEDIKTSSON

Mr. WILLIAM C. TRIMBLE,
*Chargé d'Affaires a. i.
of the United States of America,
Reykjavik.*